

**Office of the Illinois Attorney General Responses  
to Ameren Illinois Company's First Set of Data Requests  
ICC Docket 13-0476  
October 30, 2013**

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**AIC-AG 1.04** In reference to Rate Zone I, does Mr. Rubin believe that the DS-1 Residential Class should receive only 56% of the total non-meter AMI Investment costs, when the class makes up over 85% of total customers? If yes, please explain the rationale.

**RESPONSE:**

More precisely, Mr. Rubin agrees that according to the Company's revised Rate Zone I ECOSS, the DS-1 class would receive approximately 56% of non-meter AMI investment costs. The DS-1 class is allocated approximately 84% of meter costs, approximately 68% of meter reading costs, and approximately 95% of uncollectible costs - all of which Ameren alleges would be affected by the AMI program.

Mr. Rubin calculates that approximately 50% of Ameren's projected investment in AMI capital costs through the year 2020 would be meter-related and approximately 50% would be in general plant, as shown in the following table (data are the sum of capital costs, in dollars, from 2013 through 2020 on Ameren Ex. 3.1RH (Rev.), p. 48 in the AMI proceeding, Docket No. 12-0244):

		Function
Meters	125,702,223	METER
Information Technology	104,666,658	GENERAL
Program Management	15,618,900	GENERAL
Metering Operations	7,871,997	METER
Communications	<u>8,351,536</u>	GENERAL
Total Capital	262,211,314	
Functional Summary		
METER	133,574,220	50.9%
GENERAL	<u>128,637,094</u>	49.1%
Total	262,211,314	

Thus, the DS-1 class would be responsible for approximately 71% of all AMI investment during this time period.

The following table shows Ameren's estimated annual benefits, in dollars, in 2020 (from Ameren Ex. 3.1RH (Rev.), p. 49 in the AMI proceeding, Docket No. 12-0244):

		Function
Meter reading	13,032,571	METER
Field & meter services	11,382,723	METER
Reduction in unaccounted for energy	2,481,813	GENERAL
Billing function	817,590	CUSTOMER
IT	240,821	GENERAL
Distribution system management (O&M)	59,363	GENERAL
Outage management (O&M)	809,733	GENERAL
Asset management (O&M)	316,076	GENERAL
Distribution system management (capital)	671,089	GENERAL
Outage management (capital)	972,033	GENERAL
Asset management (capital)	461,664	GENERAL
Avoided meter purchase	773,559	METER
Consumption on inactive meters	1,044,606	GENERAL
Uncollectible expense	3,317,942	UNCOLLECTIBLE
Demand response	11,036,302	GENERAL
Energy efficiency	690,786	GENERAL
Electric vehicle enhancement	4,445,113	GENERAL
Value of reduced outage duration	<u>1,608,916</u>	GENERAL
Total	54,162,700	
Functional Summary		
METER	25,188,853	46.5%
CUSTOMER	817,590	1.5%
GENERAL	24,838,315	45.9%
UNCOLLECTIBLE	<u>3,317,942</u>	6.1%
Total	54,162,700	

The DS-1 class would be expected to receive approximately 68% of meter-reading savings, 84% of customer savings, 56% of general savings, and 95% of uncollectible savings. Performing this arithmetic results in the DS-1 class receiving approximately 64% of the estimated benefits, but paying 71% of the estimated capital costs. This is not entirely fair, but it is much fairer than Ameren's proposal, which would have the DS-1 class paying 84% of the capital costs.

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**AIC-AG 1.05**

As a follow-up to data request No. 4 in this series, does Mr. Rubin believe that the DS-2 Small Commercial Class should receive 24% of the total non-meter AMI Investment costs, when the class makes up only 14% of total customers? If yes, please explain the rationale.

**RESPONSE:**

Yes. Using the same analysis as provided in response to AIC-AG 1.04, the DS-2 class would pay approximately 19% of the estimated AMI-related capital cost. The DS-2 class would receive approximately 31% of meter reading benefits, 24% of customer-related benefits, 4% of uncollectible-related benefits, and 24% of general system benefits. Overall, therefore, the DS-2 class would receive approximately 26% of the alleged benefits from AMI, but would pay only 19% of the estimated capital costs under Mr. Rubin's approach. Again, while this is not entirely fair, it is much fairer than Ameren's approach which would have the class pay only 15% of the estimated capital costs while still receiving 26% of the estimated benefits.

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**AIC-AG 1.06**

As another follow-up to data request No. 4, does Mr. Rubin believe that the DS-5 Lighting Class, which is comprised mostly of passive unmetered photo-eye controlled lighting fixtures, should receive 4% or more of the total non-meter AMI Investments? If yes, please explain the rationale.

**RESPONSE:**

Yes. The DS-5 class would pay approximately 2% of the overall estimated capital costs of AMI (using the methodology explained in the response to AIC-AG 1.04). The DS-5 class would receive approximately 0.02% of meter reading benefits, 0.02% of customer-related benefits, 0.02% of uncollectible-related benefits, and 4% of general systems benefits. Overall, therefore, the DS-5 class would receive approximately 2% of the alleged benefits from AMI, and would pay approximately 2% of the estimated capital costs under Mr. Rubin's approach.